Sale Name: AP Fine Alley

CT2.2 - UTILIZATION AND REMOVAL OF INCLUDED TIMBER (09/2002)

BT2.2(b) notwithstanding, bucking lengths shall be varied to ensure that the maximum sawlog piece that may be left is 2 feet and that the maximum small roundwood piece that may be left is 5 feet.

Where cut trees are identified by paint, the Purchaser shall leave stumps of a minimum height to avoid obliterating paint markings that indicate individual trees to be cut.

CT2.302# - PAYMENT UNIT BOUNDARIES (09/2004)

The boundaries of Payment Units are designated as shown in the following table. The trees used for boundary designation are not to be cut.

See Table CT2.302# - Payment Unit Boundaries, Payment Unit Boundary Designation Table

Payment Unit Boundary Designation Table

| Payment Unit | Paint Color | Designation |
|--------------|-------------|--|
| 1 - 2 | Orange | Boundary line trees are marked with three horizontal slash marks, facing to the interior of the Payment Unit, and a spot at ground |
| · | | level. Where open system roads coincide with payment unit boundaries, the orange painted boundaries may not be present and the road itself is the indicator of that boundary. The sale area map shows where roads coincide and intersect with payment unit boundaries. |
| | | |

CT2.352# - DESIGNATION BY SPECIES AND DIAMETER (04/2004)

Trees that meet Utilization Standards are designated for cutting, as shown on the Tree Designation Table and Sale Area Map, except trees Marked with <u>orange</u> paint or described to be left uncut.

See Tree Designation Table.

Additional trees to be cut, if any, are Marked with blue paint.

All shortleaf pine, pitch pine, and table mountain pine shall be left as leave trees, unless Marked with blue paint. Leave N/A trees of the designated cut species, N/A inches stump diameter or greater, to avoid leave tree spacing greater than N/A feet. Cutting unit boundaries and other trees that shall be left uncut are Marked with orange paint.

Distances are measured horizontal distance, outside bark stump height to outside bark stump height. Stump diameter is measured outside bark at stump height in a horizontal and is the average of a measurement across the short axis through the true center of the stump and a second measurement at right angles to the short axis.

Purchaser and Forest Service shall agree to skid trail location under BT6.422. Skid trails shall be no greater than N/A feet wide with a N/A foot spacing. Quantities of trees located in skid trails are Included Timber under AT2.

Tree Designation Table

| Payment Unit(s) 1 – 2 | Designated Species Loblolly Pine, | More than Stump Diameter (inches) | Less than Stump Diameter (inches) N/A |
|-----------------------|---|-----------------------------------|---------------------------------------|
| | Virginia Pine | | |
| | | | |

CT4.211 - DOWNPAYMENT (06/2007)

The downpayment amount shown in AT15 may not be applied toward any other payment required under the provisions of this contract, except damages determined pursuant to BT9.4, transferred to other timber sales, or refunded until (a) stumpage value representing 25 percent of the total bid value of the timber sale is shown on Timber Sale Account to have been cut, removed, and paid for, or (b) the estimated value remaining to be cut and removed, as shown on Timber Sale Account, is equal to or less than the amount of the downpayment, or (c) if 36 CFR 223.49(e) is applicable, the estimated value remaining to be cut and removed, as shown on Timber Sale Account, is equal to or less than the amount of the downpayment. For lump sum timber sales, the downpayment may be applied to payment for release of the single payment unit.

If Forest Service makes a determination that this contract should not have been included under increased downpayment requirements (36 CFR 223.49(e)), the downpayment shall be revised and applied in accordance with 36 CFR 223.49(f).

CT4.212 - TEMPORARY REDUCTION OF DOWNPAYMENT (08/2009)

Notwithstanding BT4.211 or CT4.211, upon the Purchaser's written request Forest Service may temporarily reduce the downpayment when Purchaser's scheduled operations are delayed or interrupted for 30 or more consecutive days, or the contract term is extended for 30 or more consecutive days for any of the following reasons:

- (1) Forest Service requests or orders Purchaser to delay or interrupt scheduled operations for reasons other than breach:
- (2) Purchaser interrupts or delays scheduled operations to work on a sale designated by the Forest Service as in urgent need of harvesting; or
- (3) An adjustment of the contract term authorized upon a determination of substantial overriding public interest, including a market-related contract term addition, or an urgent removal contract term extension under 36 CFR 223.53.

When Purchaser is not cutting or removing timber under contract during a qualifying period of delay, interruption, or extension listed above the downpayment may be reduced to \$1000 or 2 percent of the downpayment amount stated in the contract, whichever is greater. The Purchaser must restore the downpayment to the full amount stated in the contract within 15 days from receipt of the bill for collection and written notice from the Contracting Officer that the basis for temporarily reducing the downpayment no longer exists. Purchaser shall not cut or remove timber on a contract where the downpayment has been temporarily reduced until the downpayment amount stated in the contract is fully restored.

CT5.31# - ROAD MAINTENANCE REQUIREMENTS (07/2001)

Purchaser shall maintain roads in accordance with the following Contract Road Maintenance Requirements Summary:

See Contract Road Maintenance Requirements Summary Table.

Contract Road Maintenance Requirements Summary

| | Tern | nini | | | Applic | able Pr | e-haul | Road I | Mainter | iance S | pecific | ations | |
|------|------|------|-------|------|--------|---------|--------|--------|---------|---------|----------|--------|--|
| Road | From | To | Miles | 1020 | 1040 | 3010 | 4020 | | [. | | | | |
| 724C | 0.0 | 0.27 | 0.27 | P | P | P | P | | | | | | |
| | | | | | · | | | | | | | | |
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P = Purchaser Performance Item, D = Deposit to Forest Service, D3 = Deposit to Third Party

| | Terr | nini | | A | pplicab | le Duri | ng Haul | Road Ma | intenance | Specif | ication | ıs |
|------|------|------|-------|------|---------|---------|---------|---------|-----------|--------|---------|----|
| Road | From | To | Miles | 1030 | 1040 | 3020 | 4020 | | | | | |
| 724 | 0.0 | 1.33 | 1.33 | D | D | D | D | | | | | |
| 724C | 0.0 | 0.27 | 0.27 | D | D | D | D | | | | | |
| 2274 | 0.0 | 0.0 | 0.3 | D | D | D | D | | | | | |
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P = Purchaser Performance Item, D = Deposit to Forest Service, D3 = Deposit to Third Party

| Tern | ini | | Applica | ible Po | st Haul | Road | Mainte | nance | Specific | cations | |
|------|-----|-----------------|---------|---------|---------|---------------|---------------|---------------|---------------|---------------|----------|
| From | То | Miles | ., | | | | | | | | |
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| | | Termini From To | | | | From To Miles | |

P = Purchaser Performance Item, D = Deposit to Forest Service, D3 = Deposit to Third Party

1030 = Surface Blading (gravel)

1040 = Spot Surfacing (gravel)

3020 = Ditch Cleaning

4020 = Roadway Mowing and Cleaning

CT5.32# - ROAD MAINTENANCE DEPOSIT SCHEDULE (07/2001)

Other provisions herein notwithstanding, when Forest Service requests payment in lieu of Purchaser's performance of road maintenance, Purchaser shall make Required Deposits (16 USC 537) for current and/or deferred road maintenance. Such deposits are based on the estimated volume and distance hauled and Purchaser's commensurate use of each road listed in the Road Maintenance Plan in CT5.31#.

Purchaser and Forest Service may agree in writing on adjustment of such rates. If Purchaser uses roads under jurisdiction of Forest Service other than those listed in the Road Maintenance Plan, Forest Service shall establish rates commensurate with Purchaser's use of such roads.

The Required Deposits for Forest Service work in lieu of Purchaser performance and for deferred maintenance is: \$.59 per_CCF_.

The following table lists who Purchaser will make deposits for road maintenance to, and the rate per unit of measure of the deposit. The Road Maintenance Agreement is available for inspection at the Forest Supervisor's office.

Deposit Made To

Rate

Unit of Measure

N/A

CT6.401# - CONDUCT OF LOGGING (09/2004)

Unless otherwise agreed in writing, the Purchaser shall take the following measures to minimize breakage of logs and to protect residual trees and other National Forest resources:

<u>Applicable</u> Within Payment Unit(s) <u>All</u>, the skidding pattern shall be approved by Forest Service in advance of felling and main skid roads/trails shall be located on the ground in advance of felling.

<u>N/A</u> To avoid unnecessary turning of logs in Payment Unit(s) <u>N/A</u>, the Purchaser shall fell with the lead of the trees toward skid trails. The Purchaser shall employ directional felling techniques such as wedging, jacking, cable winching, or other methods, as needed to direct the fall of the tree.

<u>N/A</u> Outside of clearcutting areas and authorized clearings, tractors shall be equipped with a winch to facilitate skidding. Products shall be winched (end-lined) as needed to protect resources or residual trees from unnecessary damage.

<u>N/A</u> In areas shown on Sale Area Map with the symbol W, all ground-based skidding equipment shall be confined to approved skid roads or trails and all Included Timber shall be winched to the skidder before transfer to the log landing. Winching may be required for distances up to <u>N/A</u> feet.

N/A In Payment Unit(s) N/A, skidding of products greater than N/A feet in length is prohibited.

CT6.402# - LOGGING EQUIPMENT RESTRICTIONS (09/2004)

Unless otherwise agreed in writing, Purchaser shall take the following measures to minimize breakage of logs and to protect residual trees and other National Forest resources:

<u>Applicable</u> Tractors used for shearing, felling/bunching, or skidding shall not exceed the overall width and shall be of the type designated below:

See Table CT6.402# - Logging Equipment Restrictions

N/A In Payment Unit(s) N/A, logging shall be conducted with N/A.

N/A In Payment Unit(s) N/A the following equipment shall be prohibited: N/A

Logging Equipment Restrictions Table

| S | ubdivision(s) | |
|---|---------------|--|
| | 1 - 2 | |
| | 1 - 2 | |
| | | |
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|----|-------------|---|
| | 12 Feet | |
| | 12 Feet | |
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CT6.414# - DIRECTIONAL FELLING OBJECTIVES (08/2001)

Unless otherwise agreed in writing, in areas shown on Sale Area Map as subject to this provision, the Purchaser shall control the direction of fall of Included Timber by wedging, jacking, lining, or other appropriate methods. Methods used shall result in felling trees_

- 1) away from private land boundaries.
- 2) in a manner that will prevent felled trees or equipment from entering any Streamcourse .

<u>Applicable</u> Unless otherwise agreed, the location of tractor skid roads shall be approved in advance of felling operations.

CT6.601# - REVEGETATION PLAN AND SPECIFICATIONS (08/2006)

Where soil has been disturbed by Purchaser's operations and vegetation is needed to minimize erosion, Purchaser shall take appropriate measures according to the following specifications or other agreed stabilization measures:

Temporary road cuts, fill slopes, and shoulders shall be seeded and fertilized within 15 days of construction during the seeding season(s).

Temporary road surfaces, landings, and skid trails shall be seeded when not to be used for a period exceeding 60 days during the seeding season(s).

Temporary road cuts, fill slopes, and other soil disturbance within 25 feet slope distance of a streamcourse shall be seeded and mulched within 3 days of the disturbance.

Exposed soil on temporary roads, skid trails and landings no longer needed for the Purchaser's operations shall be seeded and fertilized within 30 days of discontinued use during the seeding season(s). Soil tilling to cover seed may be required under dry site conditions.

Bare areas or roads with soil compaction will require harrowing, disking or ripping. Fertilizer shall be applied and mixed thoroughly with the soil prior to seeding. Due to compaction, it may be necessary to till the soil to a depth of 6 inches or more.

The seeding season(s) shall be during the inclusive listed below, unless otherwise agreed.

See CT6.601# - Revegetation Plan and Specifications, Seeding Season(s) Table

The following kinds and amounts per acre of seed and fertilizer shall be applied, unless otherwise agreed:

See CT6.601# - Revegetation Plan and Specifications, Fertilizer and Seed Table

Not applicable Mulch at the rate of N/A pounds per acre shall be applied. The Forest Service will identify the areas where mulch is required in addition to those specified elsewhere in this contract. Hay, straw, pine straw or shredded bark or other mulch acceptable to the Forest Service may be used as mulching material

_Applicable_The Forest Service shall agree to the timing of the seeding operations.

<u>Applicable</u> Seeding operations shall not begin without the presence of a Forest Service representative.

Not applicable Other revegetation specification: N/A

If the Forest Service performs such work as provided under a written cooperative agreement (16 U.S.C. 572), the Purchaser shall make the following deposit:

See CT6.601# - Revegetation Plan and Specifications, Cooperative Deposit Table

Re-vegetation Plan and Specification, Seeding Season Table

| Seeding Season | From Date |
|----------------|-----------|
| Spring/Summer | April 15 |
| Summer/Fall | August 16 |

| To Date |
|-------------|
| Aug 15 |
| November 30 |

Re-vegetation Plan and Specification, Fertilizer and Seed Table

| Fertilizer |
|---------------------|
| Spring |
| 17-17-17 Fertilizer |
| Lime |
| |
| |
| Fall |
| 17-17-17 Fertilizer |
| , |
| Lime |
| |

| Pounc | ls/Acre |
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Re-vegetation Plan and Specification, Cooperative Deposit Table

| Project Name | |
|-------------------------|--|
| Seed & Fertilizer Work, | |
| including labor | |
| Water-bars | |

| Lump Sum Amount | |
|-----------------|------|
| \$2,09 | 7.44 |
| | |
| \$243 | .90 |

CT6.63# - TEMPORARY ROADS (08/2004)

<u>Applicable</u> Unless otherwise agreed in writing, Temporary Road construction shall not be scheduled to occur outside the seeding season(s) listed in CT6.601#.

<u>Applicable</u> Unless otherwise agreed in writing, Temporary Road construction shall not be scheduled to occur outside the Normal Operating Season(s) listed in AT13.

The location and clearing widths of all Temporary Roads shall be agreed to and all timber within the clearing limits shall be paid for before construction is started. Temporary roads shall follow the general contour insofar as practical with maximum grades not to exceed 8 percent for lengths up to 20 feet. Construction shall include frequent broad-based dips or breaks in grade as necessary to remove runoff from the road. Clearing width shall not exceed that needed for safe and efficient operations, and the travel way shall not exceed 12 feet except at turnouts and landings. Crossings shall be located perpendicular to any stream or drainage.

Concurrent with Temporary Road construction, the Purchaser shall install straw or hay bales, silt fence or brush/slash barriers at the base of the fill along Temporary Roads adjacent to Streamcourses and at other sensitive areas shown on Sale Area Map per the following requirements:

See Table CT6.63# - Temporary Roads, Silt Barrier Table

At Streamcourse crossings, cut and fill slopes and other disturbed areas within 25 feet slope distance of the Streamcourse shall be protected by seeding and mulching the same day construction occurs.

As necessary to attain stabilization of roadbed and cut and fill slopes of Temporary Roads, the Purchaser shall employ such measures as outsloping, revegetation, mulching, drainage dips, water spreading ditches and silt barriers.

Unless otherwise agreed, cut banks and fill slopes shall be sufficiently sloped to facilitate revegetation.

The Purchaser shall place and maintain the following depth of gravel or crushed stone on all Temporary Roads at the following locations:

See Table CT6.63# - Temporary Roads, Gravel Requirements Table

Purchaser shall maintain all erosion control structures such as silt barriers, water-spreading ditches and broad based dips in a functional condition during Purchaser's Operations. Purchaser shall stabilize and close to vehicular traffic all Temporary Roads prior to periods of inactivity.

Except for Temporary Roads to remain open under BT6.631, after a Temporary Road has served Purchaser's purpose, the Purchaser shall give notice to the Forest Service and shall remove bridges and culverts, eliminate ditches, out-slope roadbed, remove ruts, remove outside berms by pulling the material back onto the road surface, effectively block the road to normal vehicular traffic, and build cross ditches and water bars as staked or otherwise marked on the ground by Forest Service unless agreed otherwise in writing. When bridges and culverts are removed, associated fills shall also be removed to the extent necessary to restore channel to natural size, slope and bottom, and to permit normal maximum flow of water and protection of adjacent resources.

<u>Temporary Roads - Silt Barrier Table</u>

| Side Slope Percent | |
|---------------------------------------|---|
| 50% | |
| | |
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| | — |

| Distance From Streamcourse 100 feet | |
|--|---|
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<u>Temporary Roads – Gravel Requirements Table</u>

| Location | Distance (feet) | Percent Grade | No. Inches of Gravel or Crushed Stone |
|---|--------------------|------------------|---|
| Approaches to surfaced roads for a distance back from the surfaced road. | 50 feet | n/a | n/a |
| Streamcourse crossings for a distance on either side of the Streamcourse. | 25 feet | n/a | n/a |
| Steep grades of short distances | 15 feet | n/a | n/a |
| Wet or erosive prone soils | 15 feet | n/a | n/a · |
| Dips, moist sites, erosive prone soils, and fills over culverts | 15 feet | n/a | n/a |

CT6.7# - SLASH TREATMENT (08/2004)

Slash is defined as all vegetative debris resulting from the Purchaser's operations, including limbs, tops, cull logs, bark, wood chunks, pushed-out stumps, damaged brush, and damaged residual trees. Tops from felled trees and all trees to be removed from roads, landings, or other construction clearings shall be completely felled and not left leaning or hanging in other trees. Slash associated with construction of Specified Roads is construction slash subject to treatment according to road construction specifications.

Other Ownership. The Purchaser shall conduct operations so that slash does not enter non-National Forest System lands, as shown on Sale Area Map. In event slash is deposited on other ownership, the Purchaser shall immediately remove such slash. The Contracting Officer may agree in writing to other treatment requirements if the Purchaser provides a written slash disposal agreement between the Purchaser and the landowner.

Roads and Other Clearings. Along roads available for public use the Purchaser shall immediately remove slash from traveled surfaces, shoulders, and drainage facilities. Other slash along roads available for public use and all slash along roads not available for public use shall be removed from the clearing limits within four days after adjacent skidding or yarding to each landing is complete. In areas where skidding or yarding is delayed or interrupted, slash shall be removed within ten days after being created.

Trails open to public use shall be kept free of slash. Slash within the clearing limits of powerlines, telephone lines, pipelines, and similar clearings shall be removed within ten days after adjacent skidding or yarding to each landing is substantially complete.

Slash removed from roads and other clearings shall be scattered outside the clearing limits, or otherwise disposed of as agreed. The time requirements for completion of slash removal may be changed by written agreement, except where immediate removal is required.

Other Treatment Areas. The Purchaser shall complete slash treatment in other areas as described below. The Forest Service and the Purchaser shall jointly agree to a schedule for completion of such slash treatment, which shall be included in the Purchaser's Annual Operating Schedule required under BT6.31.

<u>Applicable</u> At or adjacent to log landings, delimbing areas, and similar areas of slash accumulation within <u>All payment units</u>, concentrations of slash greater than 3 feet in height and 8 feet in length, measured at greatest distances, shall be <u>scattered</u> at the accumulation area or back hauled into the interior of the unit.

Slash treatments described below are required at locations shown on the Sale Area Map by the following symbols:

See Table CT6.7# - Slash Disposal, Slash Disposal Requirements Table

Slash Disposal Requirements Table

| Map Symbol | Title | Treatment |
|---------------|----------------|-----------|
| Symbol | Not Applicable | |

CT6.8 - MEASURING (08/2001)

The estimated quantity of timber has been determined by tree measurement in accordance with the methods described in the Timber Cruising Handbook (FSH 2409.12), a copy of which may be examined in the Forest Supervisor's or the Ranger's Offices.

CT7.201 - TRUCK, TRACTOR AND POWER SAW MUFFLERS (08/2001)

Effective muffler systems installed by the manufacturer as standard equipment shall be maintained on exhausts of trucks, power saws and other internal combustion engines used in the Purchaser's Operations.

CT7.202# - FIRE FIGHTING EQUIPMENT (08/2001)

When the Forest Service advises the Purchaser that local fire weather conditions are becoming critical, the Purchaser shall keep with gasoline chain saws at all times dry chemical fire extinguisher, shovel, rake and take precautionary measures requested by the Forest Service. The Purchaser shall act as custodian of fire fighting equipment furnished by the Forest Service. Equipment shall be stored in sealed boxes provided for this purpose and shall be transported to locations in the immediate vicinity of current logging and milling operations on Sale Area. The Forest Service shall be reimbursed for any damage to or loss of fire fighting equipment furnished by the Forest Service, which occurs on Negligently-Caused Fires or as a result of using equipment for unauthorized purposes.

CT7.22 - EMERGENCY FIRE PRECAUTIONS (08/2001)

The Purchaser shall limit or restrict operations in accordance with the Fire Danger Rating schedule shown below. The Forest Service will determine Fire danger ratings by using the National Fire Danger Rating System.

The Forest Service shall notify the Purchaser of predicted fire danger that may limit or restrict operations. In all cases, the actual weather elements shall govern over the predicted weather elements in determining Fire Danger. Fire danger ratings are based on a severity index from A (low) to E (highest).

Fire Danger Rating: Limitations or Restrictions on Purchaser Operations:

A to C: Normal fire precautionary operations

C+ to D (Very High) Forest Service may suspend any or all of Purchaser's operations.

E (Extreme) In addition to above restrictions, internal combustion engines

or other spark-producing equipment shall not be operated within any areas of the timber sale without specific written approval by the Forest Service.

CT8.212 - MARKET-RELATED CONTRACT TERM ADDITION (11/2008)

The term of this contract may be adjusted when a drastic reduction in wood product prices has occurred in accordance with 36 CFR 223.52. The Producer Price Index used to determine when a drastic reduction in price has occurred is stated in AT17. Purchaser will be notified whenever the Chief determines that a drastic reduction in wood product prices has occurred. If the drastic reduction criteria specified in 36 CFR 223.52 are met for 2 consecutive calendar quarters, after contract award date, Contracting Officer will add 1 year to the contract term, upon Purchaser's written request. For each additional consecutive quarter such a drastic reduction occurs, Contracting Officer will, upon written request, add an additional 3 months to the term during Normal Operating Season, except that no single 3-month addition shall extend the term of the contract by more than one year. Contracting Officer must receive Purchaser's written request for a market-related contract term addition before the expiration of this contract.

No more than 3 years shall be added to a contract's term by market-related contract term addition unless the following conditions are met:

- (i) The sale was awarded after December 31, 2006; and
- (ii) A drastic reduction in wood product prices occurred in at least ten of twelve consecutive quarters during the contract term, but not including the quarter in which the contract was awarded.

For each qualifying quarter meeting the criteria in paragraphs (i) and (ii) of this provision, the Forest Service will, upon the Purchaser's written request, add an additional 3 months during the normal operating season to the contract, except no single 3-month addition shall extend the term of a contract by more than 1 year.

In no event shall a revised contract term exceed 10 years as a result of market-related contract term addition.

Additional contract time may not be granted for those portions of the contract that have a required completion date or for those portions of the contract where Contracting Officer determines that the timber is in need of urgent removal or that timber deterioration or resource damage may result from delay.

CT8.4 - PERFORMANCE BY OTHER THAN PURCHASER (04/2004)

This provision adds subparagraph (b) (iii) to BT8.4 as follows:

(iii) Specifically assumes in writing the obligations of Purchaser as listed in Small Business Certification executed by Purchaser and attached to and made a part of this contract.

CT8.73 - REQUIREMENT FOR SMALL BUSINESS PROCESSING (04/2004)

To meet the requirements of the small business timber sale set-aside program, Purchaser shall not sell, trade, exchange, or otherwise convey for processing more than 30 percent (50 percent in Alaska) of the advertised sawtimber volume of this sale to a concern that is not a small business within the meaning of the small business size regulations found in 13 CFR 121.507.

Purchaser shall, at the time of execution of this contract, complete the "Small Business Certification" (SBA form 723) and submit it to Contracting Officer. The completed certification together with its provisions pertaining to the disposition, manufacturing, and record keeping requirements of Included Timber by Purchaser and other small business concerns is hereby made a part of this contract.

Upon request of Contracting Officer or an officer of the Small Business Administration, Purchaser shall furnish all records sufficient to verify eligibility and compliance with the requirements of this program. Such records may include employee payroll records, disposition of Included Timber records, and other documents as necessary.

Failure to provide records upon request, filing false information, or making false statements relating to SBA size status or failing to comply with the disposition and manufacturing requirements of Included Timber shall be considered a breach of this Subsection and may result in termination of this contract pursuant to BT9.31.